

Senate Amendment 3338

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1 1 Amend the amendment, S=3328, to Senate File 478, as
1 2 follows:

1 3 #1. Page 65, by inserting after line 40 the
1 4 following:

1 5 <DIVISION ____
1 6 INTERNAL REVENUE CODE COUPLING

1 7 Sec. ____ Section 422.3, subsection 5, Code 2009,
1 8 is amended to read as follows:

1 9 5. "Internal Revenue Code" means the Internal
1 10 Revenue Code of 1954, prior to the date of its
1 11 redesignation as the Internal Revenue Code of 1986 by
1 12 the Tax Reform Act of 1986, or means the Internal
1 13 Revenue Code of 1986 as amended to and including
1 14 January 1, ~~2008~~ 2009.

1 15 Sec. ____ Section 422.5, subsection 1, paragraph
1 16 k, subparagraph (1), Code 2009, is amended to read as
1 17 follows:

1 18 (1) Add items of tax preference included in
1 19 federal alternative minimum taxable income under
1 20 section 57, except subsections (a)(1), (a)(2), and
1 21 (a)(5), of the Internal Revenue Code, make the
1 22 adjustments included in federal alternative minimum
1 23 taxable income under section 56, except subsections
1 24 (a)(4), (b)(1)(C)(iii), and (d), of the Internal
1 25 Revenue Code, and add losses as required by section 58
1 26 of the Internal Revenue Code. To the extent that any
1 27 preference or adjustment is determined by an
1 28 individual's federal adjusted gross income, the
1 29 individual's federal adjusted gross income is computed
1 30 in accordance with section 422.7, ~~subsection~~
1 31 ~~subsections 39 and 39A~~. In the case of an estate or
1 32 trust, the items of tax preference, adjustments, and
1 33 losses shall be apportioned between the estate or
1 34 trust and the beneficiaries in accordance with rules
1 35 prescribed by the director.

1 36 Sec. ____ Section 422.7, Code 2009, is amended by
1 37 adding the following new subsection:
1 38 NEW SUBSECTION. 39A. The additional first-year
1 39 depreciation allowance authorized in section 168(k) of
1 40 the Internal Revenue Code, as enacted by Pub. L. No.
1 41 110-185, section 103, does not apply in computing net
1 42 income for state tax purposes. If a taxpayer has
1 43 taken a deduction for additional first-year
1 44 depreciation in computing federal adjusted gross
1 45 income, the following adjustments to federal adjusted
1 46 gross income shall be made:

1 47 a. Add the total amount of depreciation taken on
1 48 all property for which the election under section
1 49 168(k) of the Internal Revenue Code was made for the
1 50 tax year.

2 1 b. Subtract an amount equal to depreciation
2 2 allowed on such property for the tax year using the
2 3 modified accelerated cost recovery system depreciation
2 4 method applicable under section 168 of the Internal
2 5 Revenue Code without regard to section 168(k).

2 6 c. Any other adjustments to gains or losses to
2 7 reflect the adjustments made in paragraphs "a" and
2 8 "b", according to rules adopted by the director.

2 9 Sec. ____ Section 422.7, subsection 53, Code 2009,
2 10 is amended by striking the subsection.

2 11 Sec. ____ Section 422.9, subsection 2, paragraphs
2 12 h and i, Code 2009, are amended to read as follows:

2 13 h. For purposes of calculating the deductions in
2 14 this subsection that are authorized under the Internal
2 15 Revenue Code, and to the extent that any of such
2 16 deductions is determined by an individual's federal
2 17 adjusted gross income, the individual's federal
2 18 adjusted gross income is computed in accordance with
2 19 section 422.7, ~~subsection~~ subsections 39 and 39A.

2 20 i. The deduction for state sales and use taxes is
2 21 allowable only if the taxpayer elected to deduct the
2 22 state sales and use taxes in lieu of state income
2 23 taxes under section 164 of the Internal Revenue Code.
2 24 A deduction for state sales and use taxes is not

2 25 allowed if the taxpayer has taken the deduction for
2 26 state income taxes or claimed the standard deduction
2 27 under section 63 of the Internal Revenue Code. This
2 28 paragraph applies to taxable years beginning after
2 29 December 31, 2003, and before January 1, ~~2006~~ 2010.
2 30 Sec. _____. Section 422.9, subsection 3, paragraph
2 31 b, Code 2009, is amended to read as follows:
2 32 b. The Iowa net operating loss remaining after
2 33 being carried back as required in paragraph "a", ~~or~~
2 34 "~~d~~", ~~or~~ "~~e~~", or if not required to be carried back
2 35 shall be carried forward twenty taxable years.
2 36 Sec. _____. Section 422.9, subsection 3, Code 2009,
2 37 is amended by adding the following new paragraph:
2 38 NEW PARAGRAPH. e. Notwithstanding paragraph "a",
2 39 for a taxpayer who has a qualified disaster loss as
2 40 defined in section 172(b)(1)(J) of the Internal
2 41 Revenue Code, including modifications prescribed by
2 42 rule by the director, the Iowa qualified disaster loss
2 43 is a net operating loss which may be carried back five
2 44 taxable years prior to the taxable year of the loss.
2 45 Sec. _____. Section 422.9, Code 2009, is amended by
2 46 adding the following new subsection:
2 47 NEW SUBSECTION. 9. In determining the amount of
2 48 deduction for federal income tax under subsection 1 or
2 49 subsection 2, paragraph "b", for tax years beginning
2 50 in the 2009 calendar year, if a refund is attributable
3 1 to the receipt of an advance refund pursuant to the
3 2 federal Recovery Rebates and Economic Stimulus for the
3 3 American People Act of 2008, Pub. L. No. 110-185, the
3 4 amount of the deduction for the tax year shall not be
3 5 adjusted by the amount of the advance refund, and the
3 6 amount of the advance refund shall not be taxable
3 7 under this division.
3 8 Sec. _____. Section 422.32, subsection 7, Code 2009,
3 9 is amended to read as follows:
3 10 7. "Internal Revenue Code" means the Internal
3 11 Revenue Code of 1954, prior to the date of its
3 12 redesignation as the Internal Revenue Code of 1986 by
3 13 the Tax Reform Act of 1986, or means the Internal
3 14 Revenue Code of 1986 as amended to and including
3 15 January 1, ~~2008~~ 2009.
3 16 Sec. _____. Section 422.35, subsection 11, paragraph
3 17 b, Code 2009, is amended to read as follows:
3 18 b. The Iowa net operating loss remaining after
3 19 being carried back as required in paragraph "a", ~~or~~
3 20 "~~f~~", ~~or~~ "~~g~~", or if not required to be carried back
3 21 shall be carried forward twenty taxable years.
3 22 Sec. _____. Section 422.35, subsection 11, Code
3 23 2009, is amended by adding the following new
3 24 paragraph:
3 25 NEW PARAGRAPH. g. Notwithstanding paragraph "a",
3 26 for a taxpayer who has a qualified disaster loss as
3 27 defined in section 172(b)(1)(J) of the Internal
3 28 Revenue Code, including modifications prescribed by
3 29 rule by the director, the Iowa qualified disaster loss
3 30 is a net operating loss which may be carried back five
3 31 taxable years prior to the taxable year of the loss.
3 32 Sec. _____. Section 422.35, Code 2009, is amended by
3 33 adding the following new subsection:
3 34 NEW SUBSECTION. 19A. The additional first-year
3 35 depreciation allowance authorized in section 168(k) of
3 36 the Internal Revenue Code, as enacted by Pub. L. No.
3 37 110-185, section 103, does not apply in computing net
3 38 income for state tax purposes. If a taxpayer has
3 39 taken a deduction for additional first-year
3 40 depreciation in computing federal taxable income, the
3 41 following adjustments to federal taxable income shall
3 42 be made:
3 43 a. Add the total amount of depreciation taken on
3 44 all property for which the election under section
3 45 168(k) of the Internal Revenue Code was made for the
3 46 tax year.
3 47 b. Subtract an amount equal to depreciation
3 48 allowed on such property for the tax year using the
3 49 modified accelerated cost recovery system depreciation
3 50 method applicable under section 168 of the Internal
4 1 Revenue Code without regard to section 168(k).
4 2 c. Any other adjustments to gains or losses to
4 3 reflect the adjustments made in paragraphs "a" and
4 4 "b", according to rules adopted by the director.
4 5 Sec. _____. Section 422.35, subsection 24, Code

4 6 2009, is amended by striking the subsection.
4 7 Sec. _____. RETROACTIVE APPLICABILITY.
4 8 1. The sections of this Act amending Code sections
4 9 422.3, 422.9, subsection 3, 422.32, and 422.35,
4 10 subsection 11, apply retroactively to January 1, 2008,
4 11 for tax years beginning on or after that date.
4 12 2. The sections of this Act amending Code sections
4 13 422.5, 422.7, new subsection 39A and subsection 53,
4 14 422.9, subsection 2, and 422.35, new subsection 19A
4 15 and subsection 24, apply retroactively to December 31,
4 16 2007, for tax years ending after that date.
4 17 3. The section of this Act enacting section 422.9,
4 18 subsection 9, applies retroactively to January 1,
4 19 2009, for tax years beginning in the 2009 calendar
4 20 year.
4 21 Sec. _____. EFFECTIVE DATE. This division of this
4 22 Act, being deemed of immediate importance, takes
4 23 effect upon enactment.>
4 24 #2. By renumbering as necessary.
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5 24 tm/jp/24285